



August 16, 2006

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Citizens' Health Care Working Group

Attn: Comments, Interim Recommendations

7201 Wisconsin Ave., Room 575

Bethesda, MD 20814

Dear Dr. Maryland:

Thank you for the opportunity for the National Coalition on Health Care to comment on the Citizens' Health Care Working Group's (CHCWG) Interim Recommendations. We applaud the very important work of the CHCWG which brought so many disparate views on health care into a set of recommendations for addressing the crisis in our health care system. We support many of your recommendations and we hope the work of the CHCWG will serve as a major impetus to encourage Congress to pass comprehensive health care reform legislation. Reforms that will cover all Americans, slow the rate of escalation in health care costs, and improve the quality, value, and safety of medical care.

Our Coalition is the nation's largest and broadest alliance working for the achievement of comprehensive health care reform. Our members represent -- as employees, members, or congregants -- at least 150 million Americans. The Coalition is composed of large businesses, unions, health care providers, associations of religious congregations, pension and health funds, insurers, and groups representing patients and consumers who collectively represent a broad cross-section of America. See enclosed member and individual supporter lists. Because of this we thought you might find our views of particular interest as you draft your final recommendations.

We have developed a set of interconnected specifications for health care reform. The specifications set out objectives for reform and criteria by which alternative proposals can be assessed, as well as options for policymakers and the public to consider.

We believe that health care reform must be systemic -- that rising costs, decreasing coverage and poor quality are interrelated and must be addressed accordingly -- that reform must be system-wide in its approach and that needed changes must apply to all payers, patients, and providers. We further believe that the cost of action -- of the reforms necessary -- is far less than the cost of inaction. We estimate that comprehensive health system reform as outlined in our specifications, could save more than one trillion dollars over the first 10 years of implementation.

We will refer to our specifications in commenting on the CHCWG's Interim Recommendations.

CHCWG Recommendation 1:

No one in America should be impoverished by health care costs. Establish a national program that ensures:

- **Coverage for all Americans;**
- **Protection against very high out-of-pocket medical costs for everyone, and**
- **Financial protection for low income individuals and families.**

The Coalition agrees with these recommendations. We believe that the goal of health coverage for all Americans should be achieved within 2-3 years after the passage of enabling legislation. We support the development of a core benefit package which is comprehensive in its nature and consistent with best medical practices. We hope that the CHCWG makes very clear in its Final Report that every American should have affordable health insurance coverage as opposed to only having timely access to health care. Health insurance is the pass key to accessing timely medical services. Uninsured patients delay needed medical care, requiring more intensive care in many cases, which will ultimately raise the cost of health care as their conditions worsen.

It appears that the CHCWG is proposing a mandate for individual health insurance, although that is unclear and should be said more explicitly if that is the case. However, there is a reference that the CHCWG's proposal would stabilize the existing employer health insurance system. There seems to be inconsistency in this area.

The Coalition believes that group insurance and purchasing is more efficient and equitable than disaggregating the purchasing of health insurance through individual mandates. Therefore, we recommend against relying on individual mandates as the sole mechanism in a national strategy to achieve coverage for all.

We believe there are four viable options for insuring all Americans:

- employer mandates (supplemented with individual mandates as necessary);
- expansion (and perhaps consolidation) of existing public programs that cover subsets of the uninsured;
- creation of new programs that cover subsets of the uninsured, such as a program modeled on the Federal Employee Health Benefits Program, or
- establishment of a universal publicly financed program.

None of these approaches imply a government-run system, and any one of these options -- or a combination of them -- can work. But to assure that everyone gets coverage, we believe that participation must be mandatory, and subsidies must be provided for those who are less affluent.

We believe that the CHCWG should clarify the process and mechanisms it recommends to insure all Americans.

Over the past five years, health insurance premiums have increased five times the rate of inflation, and far faster than wages. Rising costs have had a major adverse impact on our economy, businesses, pensions, wages, and state and federal government budgets. In addition, polls show that high, and rapidly rising costs, are having a profound negative impact on families. The primary reason that we continue to see a steady increase in the number of uninsured Americans is due to rising costs and premiums.

In light of this, we strongly urge that CHCWG recommend to the Congress and the Administration that the rate of escalation in health care costs and health insurance premiums be slowed over the near term. We recommend that costs and health insurance premiums be brought into approximate equivalence with annual percentage increases in per-capita gross domestic product. Measures should be designed to achieve that goal within five years after enactment of legislation. We believe that two types of mechanisms are needed to slow down the rate of growth in costs and premiums: rates for reimbursing providers for episodes of care encompassed by a core benefit package and, after those rates take effect, limits on increases in insurance premiums for the coverage defined in the core benefit package.

Until we get a handle on rapidly escalating health care costs and health insurance premiums, which many policy observers have said are “unsustainable”, we will not be able to afford or sustain universal coverage

CHCWG Recommendation 2:

The federal government will expand and accelerate its use of the resources of its public programs for advancing the development and implementation of strategies to improve quality and efficiency while controlling costs across the entire health care system.

Using federally-funded health programs such as Medicare, Medicaid, Community Health Centers, TRICARE, and the Veterans’ Health Administration (VA), the federal government will promote:

- **Integrated health care systems built around evidence-based best practices;**
- **Health information technologies and electronic medical record systems with special emphasis on their implementation in teaching hospitals and clinics where medical residents are trained and who work with underserved and uninsured populations;**
- **Reduction of fraud and waste in administration and clinical practice;**
- **Consumer-usable information about health care services that includes information on prices, cost-sharing, quality and efficiency, and benefits, and**
- **Health education, patient-provider communication, and patient-centered care, disease prevention, and health promotion.**

The Coalition supports a comprehensive and concerted national effort with dramatically increased public funding to improve the quality and safety of American health care. We agree with the CHCWG that some progress has been made, with initiatives to help reduce medical errors and improve quality, but we need to do much more, much faster, across the entire health care system. We recommend that the CHCWG call for significantly more funding to improve the quality of medical care along the lines of the Institute of Medicine’s recommendation in the *Crossing the*

Quality Chasm report. That report calls for a \$1 billion federal investment over five years to launch a system-wide effort to improve quality.

This effort should develop and make widely available measurements -- of process and outcomes quality -- to facilitate choices among plans and providers by payers and consumers. It should be designed to reduce variability, across regions and providers, in patterns of practice -- and, more generally, to improve the consistency of such patterns with best practices. It should seek to link payments for care to measured quality of care.

We also support accelerating the development of an integrated national information infrastructure for the health care system.

CHCWG Recommendation 3:

It should be public policy that all Americans have affordable health care.

All Americans will have access to a set of core health care services. Financial assistance will be available to those who need it.

We agree with these statements. Again, we want to highlight that everyone should have affordable health insurance coverage with a core benefit package as distinguished from access to health care. We feel that financing health care could come from several dedicated revenue streams. Those mechanisms are general revenues, earmarked taxes and/or fees, contributions required from employers, and contributions required from individuals and families (including copayments, deductibles, and contributions toward premiums). We agree with the CHCWG that subsidies should be provided for those who are too poor to pay.

Recommendation 4:

Define a 'core' benefit package for all Americans.

Establish an independent non-partisan private-public group to identify and update recommendations for what would be covered under high-cost protection and core benefits.

- **Members will be appointed through a process defined in law that includes citizens representing a broad spectrum of the population including, but not limited to patients, providers, and payers, and staffed by experts.**
- **Identification of high cost and core benefits will be made through an independent, fair, transparent, and scientific process.**

The set of core health services will go across the continuum of care throughout the lifespan.

- **Health care encompasses wellness, preventive services, primary care, acute care, prescription drugs, patient education, treatment and management of health problems provided across a full range of inpatient and outpatient settings.**
- **Health is defined to include physical, mental, and dental health.**

- **Core benefits will be specified by taking into account evidence-based science and expert consensus regarding the medical effectiveness of treatments.**

The Coalition supports this recommendation. We recommend that all Americans have access to a core benefit package that encompasses medically necessary, comprehensive care, acute care, prescription drugs, early detection and screening, preventive care, care for chronic conditions and end-of-life care. Pre-existing conditions should not be excluded from coverage. The details of the core benefit package, within each of the categories noted, should be consistent with best medical practices and should be adjusted over time, as science and technology advance and as understanding of best practices evolves. Individuals or their employers should be able to purchase supplemental coverage beyond the core benefit package.

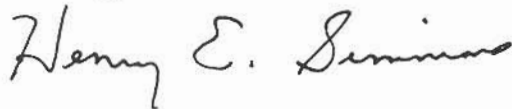
In regard to other recommendations, the Coalition has no formal position on the CHCWG's recommendations on community health centers and end-of-life care.

As part of the overall organization of the report, we suggest that the CHCWG consider collapsing Recommendations 1 and 3 (our numbers in this letter) in the Final Report due to the overlapping nature of financing and coverage issues that are described.

We deeply appreciate the opportunity to comment on the CHCWG's Interim Recommendations. We believe they set the stage for a national discussion on the need for comprehensive health care reform.

I will be happy to meet with you or testify about our comments and the work of the Coalition.

Sincerely,

A handwritten signature in cursive script that reads "Henry E. Simmons".

Henry E. Simmons, M.D., M.P.H., F.A.C.P.
President

Enclosures

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AFL-CIO	Duke Energy
Ahold U.S.A., Inc.	Duke University Medical Center
Alliance of Motion Picture and Television Producers	The Episcopal Church
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American College of Nurse Midwives	International Brotherhood of Electrical Workers, AFL-CIO
American Council on Education	International Brotherhood of Teamsters Union, AFL-CIO
American Dental Education Association	International Federation of Professional & Technical Engineers, AFL-CIO
American Federation of State, County, and Municipal Employees (AFSCME), AFL-CIO	International Foundation for Employee Benefit Plans
American Federation of Television and Radio Artists	Iowa Farm Bureau Federation
American Federation of Teachers	Kaiser Permanente
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American Water	Maternity Center Association
Association of American Universities	Michigan BlueCross/BlueShield
Blue Shield of California	Motion Picture Association of America
California Medical Association	Motion Picture and Television Fund
California Public Employee' Retirement System (CalPERS)	National Association of Childbearing Centers
California State Teachers' Retirement System (CalSTRS)	National Association of Independent Colleges and Universities
Catholic Charities, USA	National Conference of Public Employee Retirement Systems
	National Consumers League
	The National Coordinating Committee for Multi-Employer Plans
	National Council of Churches of Christ in the U.S.A.
	National Council on Teacher Retirement
	National Education Association
	New York State Common Retirement Fund

New York State Teachers' Retirement System
Presbyterian Church (U.S.A.)
Principal Financial Group
Public Employees Retirement System of Ohio
Qwest Communications
Religious Action Center of Reform Judaism
Salvation Army
Sheet Metal Workers' International Union,
AFL-CIO
Southern California Gas Company
State Teachers Retirement System
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Stop & Shop, Inc.
Union of American Hebrew
Congregations
United Food and Commercial Workers
International Union, AFL-CIO
UnitedHealth Group
United Methodist Church – General Board of
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United States Conference of Catholic Bishops
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Henry J. Aaron, Ph.D.
Senior Scholar
The Brookings Institution

Stuart Altman, Ph.D.
Professor of National Health Policy
Heller School
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Marcia Angell, M.D.
Editor-in-Chief Emeritus
The New England Journal of
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President and CEO
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William Novelli
CEO
AARP

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Economics and Public Affairs
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Arnold S. Relman
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Distinguished Professor of Health and
Health Care
University of California – San Francisco
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Graham B. Spanier
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John Sweeney
President
AFL-CIO

Samuel Thier, M.D.
Professor of Medicine and Professor
of Health Care Policy
Harvard Medical School
Former CEO
Partners HealthCare System, Inc.
Former President
Institute of Medicine

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